attributable to adverse sentiments and nervous reactions to the turmoil in the East-Asian financial markets.

(d) The exchange rate developments are closely monitored both by the Government and the Reserve Bank of India (RBI). While allowing market developments to be reflected in the exchange rate considerations, such as preservation and improvement of external competitiveness, the RBI, as and when necessary, intervenes in the foreign exchange markets and deploys suitable monetary and other measures.

Investments in Public Enterprises

236. SHRI S. RAMACHANDRAN PILLAI: SHRI E. BALANANDAN:

Will the Minister of FINANCE be pleased to state:

(a) the total Central investment made in the public enterprises in the country during the last three years, State-wise;

(b) whether Government are aware that due to low central investment in comparison to other major States, West Bengal which ranked third till 1990 now stands fourth as far as GDP is concerned; and

(c) what steps Government propose to take to find solution to the problem of unevenness in growth?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Statewise pattern of investment in Public sector enterprises over the years 1994-95, 1995-96 and 1996-97 is given in the Statement.

(b) As per available information, the net state domestic product, (at current prices) of West Bengal was Rs. 57,753 crores in 1995-96 and West bengal ranked fourth amongest states and union territories. However, estimates on state domestic product compiled by Directorate of Economics and Statistics of respective state Governments are not strictly comparable owing to difference in source material used.

(c) In order to remove the disparities in regional development, the Government is laying stress on investgment in agriculture, rural development and irrigation. The strategy also gives primary to removal of unemployment, adequate thrust to promotion of small scale industry and accelerated development of infrastructure.

Statement

State wise Pattern of Investment

(In Rs. crores)

Name of the State/UT	As on 31st March, 1997	As on 31st March, 1996	As on 31st March, 1995
1. Andhra Pradesh	10421	10730	10800
1. Assam	1423	868	871
3. Bihar	7482	6928	7194
4. Gujarat	3511	2229	2360
5. Haryana	396	406	319
6. Himachal Pradesh	2048	1482	902
7. Jammu & Kashmir	5	5	5
8. Karnataka	2818	2868	2940

Name of the State/UT	As on 31st March, 1997	As on 31st March, 1996	As on 31st March, 1995
9. Kerala	1579	1471	1264
10. Madhya Pradesh	2883	3256	3372
11. Maharashtra	15721	12170	12120
12. Manipur	4	4	4
13. Meghalaya	2649	2215	1607
14. Nagaland	125	125	125
15. Orissa	3222	3817	4486
16. Punjab	144	145	146
17. Rajasthan	844	830	831
18. Tamilnadu	5215	4977	4818
19. Uttar Pradesh	12623	14807	14356
20. West Bengal	9727	8606	8462
21. A & N Islands	4	4	4
22. Delhi	110232	99591	96235
23. Goa	43	63	69
24. Pondicherry	1	1	1
25. Arunachal Pradesh	1	1	1
Total	193121	177599	173292

Source : Department of Public Enterprises

Nationalisation of insurance companies

237. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) whether availability of long-term funds for the development of infrastructure in the country is the only plus point to open up the insurance sector to foreign and local investors;

(b) whether Government took into account the past records of private sector in insurance sector causing for its nationalisation leading to consumer confidence in insurance business in the country; and

(c) if so, what were the records then which compelled Government to nationalise insurance companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): Ministry of Industry.

(a) to (c) The insurance industry has been nationalised with the objective of ensuring conduct of the business with the utmost economy, in a spirit of trusteeship; to charge premium warranted by strict actuarial consideration; to invest the funds for obtaining maximum yield for the policyholders consistent with safety of the capital; and to render prompt and efficient service to policyholders thereby making insurance widely popular. The Malhotra Committee in January, 1994 reccmmended the opening up of the insurance sector for a variety of reasons, apart from the need to make available long-term insurance funds for the development of infrastructure projects in the country. These are, better customer service; improvement in variety and price of insurance products; augmentation of insurance penetration on account of vast untapped potential; and the ability of nationalised insurance companies to face competition. After considering all pros